

20 January 2014**Agenda Item: 7****REPORT OF SERVICE DIRECTOR, TRANSPORT, PROPERTY &
ENVIRONMENT****REPORT ON THE PLANNED MAINTENANCE BUDGET 2013/14****Purpose of the Report**

1. To advise Members on how repairs and maintenance need is identified, spend allocated and the proposed development of a repair and maintenance Strategy.

Information and Advice

2. The Planned Maintenance (PM) budget is set as a standing item for each year in the corporate budget book, the breakdown of the budget is split between £5.187m Revenue and £6.528m capital funding, giving a total budget value of £11.715m. The budget value includes an amount added to the basic budget to address the Health & Safety backlog of high risk remedial works. This has enabled a five programme of works to be established which will conclude at the end of this financial year at which point the additional funding will be withdrawn.

Budget Allocation

3. To enable an even split of the funding across all properties where maintenance needs have been identified, it is necessary to understand the basic areas of need against each property.
4. A condition survey is carried out on every property on a five year cycle, this is then recorded within Nottinghamshire County Council's Business Management System (BMS) against twelve main elements ranging from redecoration through roofing, mechanical & electrical services to external works these are then prioritised on a priority need basis 1 - 4 (1 = within 1 year and 4 = in excess of 5 years) and condition A-D (A = good and D = poor), these elements of work streams are laid down by The Chartered Institute of Public Finance and Accountancy (CIPFA) and is therefore a nationally recognised process.
5. The data collected from the Condition Surveys is then used to identify the

percentage need for the properties within each department. The PM budget is then top sliced for standard items such as risk assessments, service agreements and contingencies. The remaining balance is then split which gives circa 90% for the main corporate responsibilities (roofing, external elevation major electrical and mechanical services) and 10% for non-corporate elements (re-decoration, carpeting, fixtures and fittings).

6. The final allocation of the 90% is based on the particular properties priority need normally on the following basis; Health & Safety, followed by wind & water tight, heating, lighting and power requirements. Historically there has always been a back log of need in excess of the funds available this normally addresses the priority 1 items where funds allow with a few priority 2 included in the final proposed programme of works.
7. Over the last few years the planned maintenance programme of works has been influenced by other programmes of works WOW (Ways of Working) SCRП (Schools Capital Refurbishment Programme, PSBP (Priority Schools Building Programme) and DSR (Day Service Review) all of these have addressed various areas of the property portfolio and have included some major works on the maintenance backlog for the properties involved. This has enabled Property to channel the budgets to other areas of the portfolio which would have otherwise been a low priority.
8. Whilst every effort is made to address the 'Priority 1' items, unexpected strains on the budget can have a serious detrimental effect on the overall planned programme of works, 2013/14 is no exception with a requirement to contribute £1.0m into the SCRП and circa a further £200,000 to cover works which have not been covered by the WOW (Replacement of the main foul drainage stacks at County Hall and Emergency lighting to the Fire Escape Stairwells). Due to this late strain on the budget it is necessary to put on hold equivalent value projects and delay them until the 2014/15 programme of works, this will enable the reduced Planned Maintenance programme to be delivered on budget.
9. Below is a table indicating the basic split of the budget in the current year's programme.

CFCS Schools	45.40%	£5.14m
CFCS Non Schools	28.77%	£3.25m
Adults Social Care & Health & PP	13.39%	£1.51m
Environment & Resources	12.43%	£1.41m

10. Other works which the condition survey has highlighted as urgent/priority 1 works include replacement of elevation's (windows) re-roofing, new boilers, total re-piping of heating systems, ventilation in kitchens, new lighting

including total rewire of a property and urgent structural works. All these works have been identified as essential works and usually undertaken to prevent closure of properties and to maintain the safety to both staff and user.

Future Planned Maintenance Programmes

11. This year is the final year of the additional funding to address the major backlog of Health & Safety works. The main aims of the Health & Safety programme of works were to address the key areas of Fire Safety, Legionella and Asbestos. During the last five year period, the Property Group will have completed almost 2000 projects equating to approximately £34m. With the conclusion of the programme and the reduction of funding, the overall expected budget for 2014/15 equates to £7.8m. After top slicing for contingencies and statutory compliance elements, this leaves £5.3m available. Further contributions to the SCRP and NWSC (National Water Sports Centre), reduces this figure to £4.173m. There will remain an on-going need to undertake works on the Fire, Legionella and Asbestos elements of the property portfolio as the buildings age and new circumstances arise. These priorities will be managed by prioritising spend in these areas from the PM budget which as would be expected, leaves less monies available for urgent yet important work.
12. It has therefore been considered that a major move to an alternative method identifying the planned maintenance requirement should be developed. A review of the condition surveys for the corporate property portfolio (with the exception of schools) has been undertaken. This will help form the basis of a repair and maintenance strategy which will provide options for achieving a particular standard of property condition; identify cost and alternative options such as down- sizing of the property estate; asset sharing and other means of funding back-log repairs. It will assist in targeting expenditure where it is most needed to support core objectives. It is anticipated the repairs and maintenance strategy will be the subject of a report to the Finance & Property Committee during Spring 2014.

Other Options Considered

13. Prioritising spend based on urgency of need ensures that limited funds are used as effectively as possible. Alternatives would result in some properties benefiting from increased works to the detriment of other buildings which could result in the closure of some due to health and safety issues unless additional funding was identified.

Reason/s for Recommendation/s

14. To provide members with assurance that despite budget pressures on the repairs and maintenance budget, positive action is being taken to use funding provision effectively to support corporate property need.

Statutory and Policy Implications

15. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

- 1) That the demands on the repairs and maintenance budget is noted and the proposals to develop a repairs and maintenance strategy.

Jas Hundal

Service Director – Transport, Property & Environment

For any enquiries about this report please contact: Dale Renfrey

Constitutional Comments (CEH 13.12.13)

16. The report is for noting purposes only.

Financial Comments (TR 18/12/13)

17. There are no immediate financial implications as a result of this report.

Background Papers and Published Documents

18. None.

Electoral Division(s) and Member(s) Affected

19. Ward(s): all
Member(s): all

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Properties affected: 09998 - Various NCC Properties/non-property item